



# Rex Railways, Inc.

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INTERSTATE COMMERCE COMMISSION

## EXECUTIVE OFFICES

616 PALISADE AVENUE  
ENGLEWOOD CLIFFS, NEW JERSEY 07632  
TELEPHONE: (201) 567-8300

September 21, 1978

Clarendon and Pittsford  
Railroad Co.  
267 Battery Street  
Burlington, Vermont 05401

Dear Sirs:

This letter will amend the Lease Agreement dated May 24, 1978 between REX Railways, Inc., as principal and/or agent ("REX"), and Clarendon and Pittsford Railroad Co. ("Lessee"), as amended by letter agreements dated June 5, 1978, July 6, 1978 and July 7, 1978 covering 250 boxcars (as so amended, the "Lease").

Paragraph 6B is amended to read, in its entirety, as follows:

"B. The calculations required by Paragraphs 6A(i), 6A(ii) and 6A(iii) shall be made within three months after the end of each calendar year. However, since the parties desire to determine on a quarterly basis the approximate amount of the rental charges payable hereunder, the following provisions will govern the collection and payment of rental charges hereunder:

"Lessee will collect all mileage charges and car hire revenues generated by the Cars. Within twenty (20) days after the end of each month Lessee will calculate and inform REX of the per diem and incentive per diem charges generated by the Cars for such month (referred to in this Paragraph 6B as the "earning month"). An amount equal to one hundred percent (100%) of such per diem and incentive per diem charges will be paid to REX by Lessee as follows:



"(a) 80% of such amount will be paid on the tenth day of the third month following the earning month;

"(b) 15% of such amount will, to the extent not deemed theretofore to have been paid, as provided in the next following paragraph, be paid on the tenth day of the fourth month following the earning month; and

"(c) the remaining 5% of such amount will, to the extent not deemed theretofore to have been paid, as provided in the next following paragraph, be paid on the tenth day of the fifth month following the earning month.

An amount equal to 100% of mileage charges collected in any month will be paid to REX on the tenth of the following month.

"Within three months after the end of each calendar quarter REX will repay to Lessee any amount in excess of the rentals with respect to such quarter payable to REX hereunder in accordance with the provisions of Paragraphs 6A(i), 6A(ii) and 6A(iii); provided, however, that REX may reduce the amount of such repayment due to Lessee by the amount of any rental charges payable to REX with respect to any earning month within said calendar quarter which, in accordance with the provisions of subparagraphs (a), (b) and (c) above, remain unpaid at the time of such repayment by REX to Lessee (and, to the extent of such reduction, the amount of such unpaid rentals shall thereupon be deemed to have been paid). Following the yearly calculations, any amount paid in accordance with the preceding provisions of this Paragraph 6B to either party in excess of the amount payable on the basis of such yearly calculations shall be refunded promptly to the appropriate party. In the event of any extraordinary occurrences giving rise to uncollectible accounts (i.e. bankruptcy act, bad claims), we will resolve adjustments pertaining to the cash settlements effected by such occurrence to the mutual satisfaction of both parties."

Except to the extent expressly amended hereby, the Lease remains in full force and effect and is, as so amended, ratified and confirmed by the parties hereto.

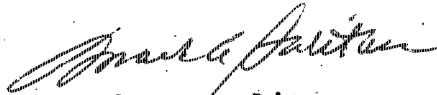
Clarendon and Pittsford  
Railroad Co.

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If the foregoing is in accordance with your understanding of our agreement, please sign and return to the undersigned the enclosed duplicate copy of this letter.

Very truly yours,

REX RAILWAYS, INC.



Mark A. Salitan  
Chairman

Agreed to and Accepted this  
29th day of September, 1978

CLARENDON AND PITTSFORD  
RAILROAD CO.

By H. P. Filsbort